

Allegheny County Council

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Meeting Minutes

Thursday, July 14, 2016

4:00 PM

Conference Room 1

Committee on Economic Development & Housing

Dewitt Walton, Chair

Members; Tom Baker, Sam DeMarco, Mike Finnerty, Nick Futules, Ed Kress, Bob Macey, John Palmiere

I. Call to Order

The meeting was called to order at 4:01.

Invited Guests:

William D. McKain, CPA, Allegheny County Manager or designee(s)
Robert Hurley, Director, Allegheny County Department of Economic Development
Ruth Byrd-Smith, Director, Allegheny County Department of M/W/DBE
M. Gayle Moss, Chair, Allegheny County MBE Advisory Committee
Austin Davis, Office of the Chief Executive

Ms. Parees was present from the Office of the County Manager.

Mr. Hurley, Mr. Struhl and Ms. Schultz were present from the Department of Economic Development."

Ms. Byrd-Smith was present from the Department of M/W/DBE.

Mr. Sittig and Mr. Mongell were present from Vitmore.

Mr. Reidbord and Mr. Zemakis were present representing The Foundry at 41st.

Mr. Barker and Mr. Szymanski were present from the Office of County Council.

II. Roll Call

Members Present: 4 - Walton, Tom Baker, Sam DeMarco and Ed Kress

Members Absent: 4 - Michael Finnerty, Nick Futules, Bob Macey and John Palmiere

Members 1 - Sue Means

Non-Members:

III. Approval of Minutes

[9757-16](#)

Motion to approve the minutes of the June 16, 2016 meeting of the Committee on Economic Development and Housing.

A motion was made by Baker, seconded by DeMarco, that this matter be Passed. The motion carried by a unanimous vote.

IV. Agenda Items

Ordinances

[9735-16](#)

An Ordinance of the County of Allegheny, Commonwealth of Pennsylvania setting forth a new Chapter 435 of the County Code of Ordinances in order to improve operations of the County's M/W/DBE Program.

Sponsors: Chief Executive

The Chair read the title of the bill and Ms. Byrd-Smith summarized the history of Chapter

435, together with the intent behind the ordinance, noting that the changes would update the language of the Chapter to render it current and up to date and that a redlined copy of the changes had been provided to the Committee with the ordinance.

The Chair noted that he personally is comfortable with the ordinance as written, and deferred to Mr. Baker and Mr. DeMarco for any questions that they might have.

In response to a question from Mr. Baker, Ms. Byrd-Smith highlighted some of the changes, highlighting alterations to the term "female business enterprises," the change in the Department name, and the like.

In response to a question from Mr. DeMarco, Ms. Byrd-Smith discussed the County's veterans' preference in purchasing.

In response to a question from Mr. DeMarco, Ms. Byrd-Smith described the impact of the existing and proposed certification process on larger business enterprises.

Mr. DeMarco and Ms. Byrd-Smith discussed the various types of certifications that the County examines for appropriateness.

In response to a question from Mr. Kress, Ms. Byrd-Smith noted that the category classifications are established pursuant to federal regulation, and that the County has little or no ability to alter them.

A motion was made by DeMarco , seconded by Baker, that this matter be Affirmatively Recommended. The motion carried by a unanimous vote.

Resolutions

[9737-16](#)

A Resolution of the Council of Allegheny County, Pennsylvania, made pursuant to the Local Economic Revitalization Tax Assistance Act ("LERTA"), Pa. Stat. Ann. tit. 72, § 4722 *et seq.* (1995), as amended, providing for: a program of temporary exemption from increases in Allegheny County Real Property Taxes, for specified time periods, resulting from improvements made by an owner of property located within the Eighth Ward of the City of Pittsburgh, County of Allegheny, Commonwealth of Pennsylvania, generally known as the Friendship neighborhood, previously determined to be a deteriorated area; establishing a schedule for exempting increases in Allegheny County property taxes resulting from such improvements; and prescribing the requirements and procedures by which an owner of property located within the deteriorated area can secure the temporary exemption resulting from such improvements.

Sponsors: Chief Executive

Mr. Hurley gave a presentation providing a brief overview of LERTAs and TIFs in general and summarizing applicable Commonwealth law, the application process, and potential exemption/abatement schedules. Mr. Struhl gave a brief financial summary of the status of the County's LERTA program through 2015.

At the request of the Chair, the clerk read the title of the bill and Mr. Hurley gave a brief overview of the Baumhaus project and discussed the project's history.

Mr. Mongell described the project site and Vitmore's efforts at creating a development that fits within the community's master plan for the development area. Mr. Mongell discussed the difficulties that the project has encountered during excavation of the site and indicated that the decision was made to retain the original vision for the development rather than to scale back the development in order to compensate for the increased costs of the development. Mr. Mongell noted that the goal is to attain LEED gold certification and open the completed development in May of 2017.

Mr. Sittig discussed the process that Vitmore has undertaken with the City and school district to date, and noted that environmental remediation and some other additional efforts had been required for the site, as it had been the location of a gas station at one time. Mr. Sittig discussed the importance of the County LERTA to the project, noting that the County LERTA is actually a condition of financing.

Mr. Baker indicated that he was comfortable with the presentation.

In response to a question from Mr. DeMarco, Mr. Sittig noted that both the City and the school district had already authorized their respective LERTA participation.

In response to a question from Mr. Kress, Mr. Mongell noted that the majority of the contracts relating to the project are already largely awarded, and offered to provide a list of the trades that are already involved. The Chair discussed the relevance of certain trades to various phases of construction.

The Chair indicated that the presentation was well coordinated between the Department and Vitmore, and addressed any concerns that he may have had.

A motion was made by DeMarco , seconded by Kress, that this matter be Affirmatively Recommended. The motion carried by a unanimous vote.

[9738-16](#)

A Resolution of the Council of Allegheny County, Pennsylvania, made pursuant to the Local Economic Revitalization Tax Assistance Act ("LERTA"), Pa. Stat. Ann. tit. 72, § 4722 *et seq.* (1995), as amended, providing for: a program of temporary exemption from increases in Allegheny County Real Property Taxes, for specified time periods, resulting from improvements made by an owner of property located within the Ninth Ward of the City of Pittsburgh, County of Allegheny, Commonwealth of Pennsylvania, generally known as the Central Lawrenceville neighborhood, previously determined to be a deteriorated area; establishing a schedule for exempting increases in Allegheny County property taxes resulting from such improvements; and prescribing the requirements and procedures by which an owner of property located within the deteriorated area can secure the temporary exemption resulting from such improvements.

Sponsors: Chief Executive

At the request of the Chair, the clerk read the title of the bill and Mr. Hurley provided a brief overview of the project, noting that the project is primarily residential and discussing the Department's activities to date.

Mr. Zemakis indicated that he had initially purchased the property approximately 16 years ago and that, while the property was originally the site of a steel fabrication plant, the Lawrenceville neighborhood had changed fairly dramatically in that time. Mr. Zemakis

noted that he wanted to undertake the residential development in a fashion that allowed for community use of a portion of the property while still establishing a new 182 units of housing. Mr. Zemakis indicated that the proposed development was intentionally set back from the street further than is required in that particular location, that certain historical aspects of the former steel foundry were being preserved, and that it appears that the community will be accepting of the new site usage.

The Chair noted that he is familiar with the area in which the new development will be located, and that he has discussed the development of the area with other elected officials.

In response to a question from the Chair, Mr. Reidbord described the management company's M/W/DBE employment rates and noted that one of the larger subcontractors with whom they deal is a virtually 100% M/W/DBE enterprise, and that they provide services and staff at all levels of property management. Mr. Reidbord noted that roughly 87% of the construction phase jobs will involve unionized labor and about 18% would involve M/W/DBE labor.

In response to a question from Mr. Baker, Mr. Reidbord noted that the rate of participation by unionized workers in the construction phase is probably higher than would be average.

In response to a question from Mr. Baker, Mr. Reidbord noted that Mr. Zemakis had been working in Lawrenceville since 2000, and Mr. Zemakis discussed his efforts to structure the project in a fashion that the community will embrace.

Mr. DeMarco asked that correspondence relating to union and M/W/DBE participation be provided to the committee.

Mr. Kress and Mr. Zemakis discussed the importance of balancing the amount of housing that is established in each neighborhood.

In response to questions from Mr. Kress, Mr. Hurley offered to look into e-verification by subcontractors who will be working on the project, and Mr. Reidbord offered to provide the Chair with information relating to the various trades that will be involved in construction.

The Chair expressed a desire to hold the bill pending the provision of the requested additional information.

Discussion Topic

V. Adjournment

The meeting adjourned at 5:06.